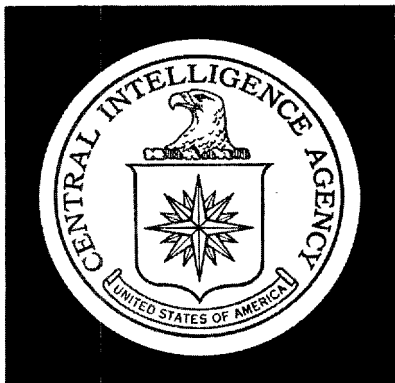


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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(Information as of noon EST, 15 December 1966)

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Portuguese capitulation to Peking's demands has probably satisfied the Chinese for the time being but has weakened the position of Portuguese authorities.

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FAR EAST

Recent events in China have provided further glimpses of the scope and violence of the struggle wracking the Peking regime. The conflict has not only produced areas of chaos and anarchy throughout the country but has brought the effectiveness of some aspects of the regime's political authority into question for the first time since the Communist revolution.

These events strengthen the impression that the faction headed by Lin Piao, claiming Mao's blessing, has been stalemated in its drive to destroy opponents of the "cultural revolution" and to "reorganize" the party and its central committee.

Since late November [redacted] 25X1
crusading Red Guards in the provinces have encountered stiff resistance from party committees, resulting in bloody clashes in widely scattered parts of China. The party journal Red Flag now complains that enemies within the party have "confused the masses," "created sects," and "instigated armed battles."

Against this background of chaos and defiance of central authority, China faces a worsening food situation which could have important influence on the outcome of the leadership struggle and the shape of future policies. China's need for food imports is greater now than at any time since 1962. Rations have been reduced in many urban and rural areas, and officials in at least one province anticipate peasant "resistance" to the enforcement of food distribution plans.

In view of the difficulties at home, Peking apparently welcomed the recent disorders in Macao and took the opportunity to improve its tarnished image as the protector of Chinese abroad. In Malaysia, however, the almost exclusively Chinese Sarawak Communist Organization suffered a considerable setback last week when government security forces rounded up more than a hundred of its leaders and members. [redacted] 25X1

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VIETNAM

Communist forces this week intensified the level of their conventional military activity and terrorist/sabotage actions, largely against vulnerable South Vietnamese Government targets, in an apparent effort to score psychologically significant military gains prior to the Christmas truce. At the same time, however they continued to avoid major contact with large-scale allied search-and-destroy operations.

The most significant enemy-initiated action occurred on 10 December in Thua Thien Province, when an estimated Viet Cong/North Vietnamese Army (NVA) battalion using heavy mortar and small-arms fire attacked a South Vietnamese Army regimental command post and battalion base camp 10 miles northwest of Hue. Twenty-four government regulars were killed and 85 wounded in the attack. The Communists captured over 100 weapons.

Other targets of battalion-sized Viet Cong assaults included an ARVN base camp in the delta province of Chuong Thien, two Regional Forces companies undergoing training at the Van Kiep Training Center in Phuoc Tuy Province, and a Vietnamese paramilitary company on patrol in Hau Nghia Province. Cumulative government losses resulting from these actions included 33 killed, 15 wounded, and 196 captured.

Communist terrorists and saboteurs concentrated on targets in the Saigon area and in northern I Corps. Several grenade attacks were reported against Vietnamese National Po-

lice in Saigon, while guards detected a number of mines set to destroy shipping in the capital's main waterways. The Viet Cong, for the third time in six weeks, also managed a partially successful attack on the major US ammunition dump at Long Binh, 13 miles northeast of Saigon.

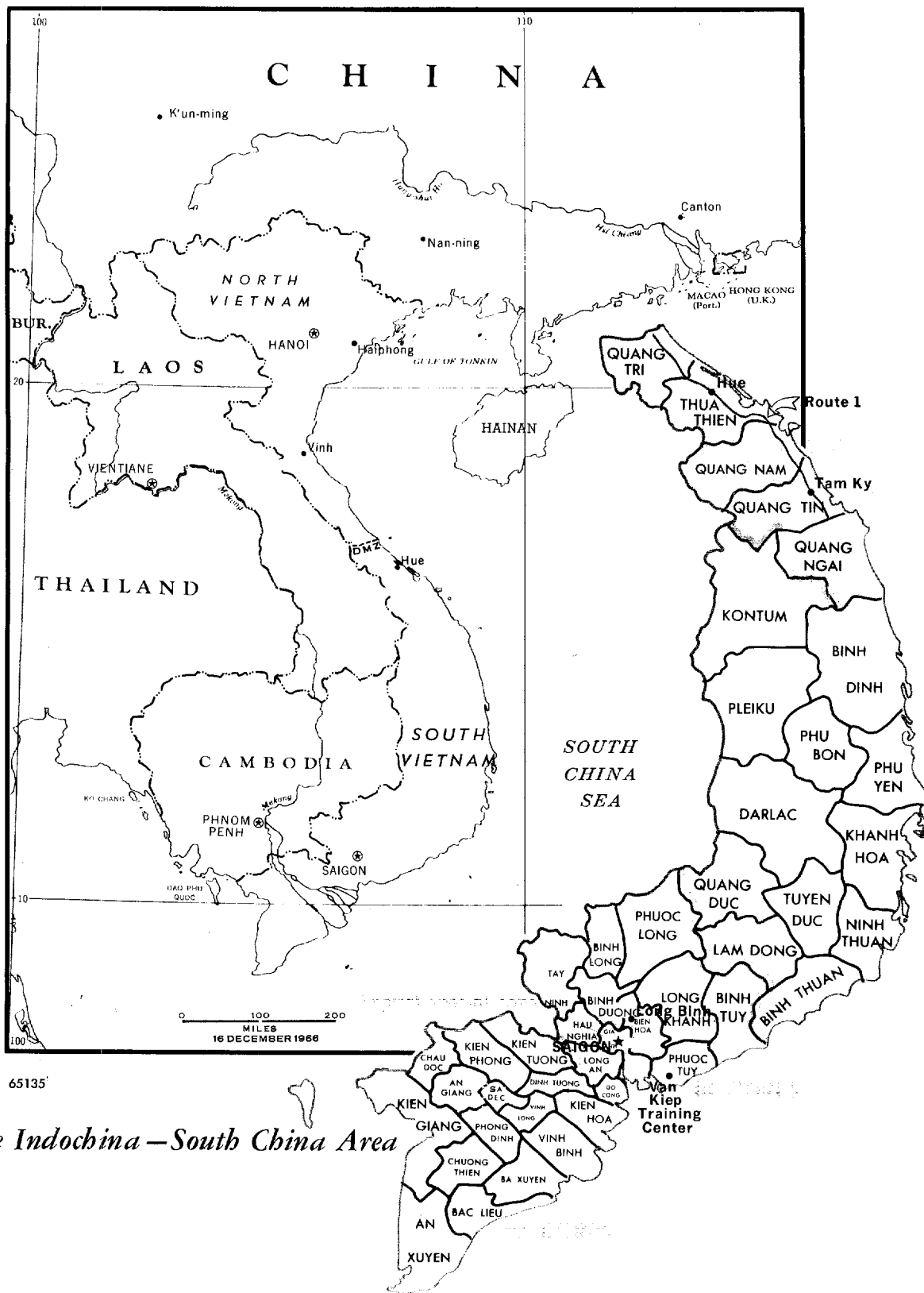
In the north, Viet Cong saboteurs accelerated their interdiction campaign against National Route 1 in an apparent, and at least temporarily successful, effort to isolate Thua Thien Province from adjacent Quang Tri and Quang Nam provinces. In addition, Communist mortar crews on 14 December shelled a major South Vietnamese POL storage area near Tam Ky, the capital of Quang Tin Province, destroying nearly 40,000 gallons of fuel.

Politics in South Vietnam

The assassination of southern political leader Tran Van Van on 7 December does not appear to be generating any overt political repercussions. By its prompt public identification of one of the assassins as a Viet Cong and by its willingness to cooperate with the Constituent Assembly in conducting a full investigation of the crime, the Ky government avoided any accusations of complicity in the killing. However, there are continued reservations in some circles as to the political affiliation of the assassin; statements deploring the incident issued by both the Peoples - Armed Forces Advisory Council and the Constituent Assembly made no reference to Viet Cong responsibility.

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After paying full honors to Tran Van Van, including an adjournment of five days, the Constituent Assembly on 12 December resumed its debate on the form of the future government. The major issue in the debate was the organization of the executive branch, and on 15 December the assembly voted to adopt, in principle, a modified presidential system which would include an appointed prime minister.

Meanwhile, the second and third largest blocs of delegates officially merged, thus forming the largest single groups in the assembly. The members of the new bloc represent several elements in the assembly including Catholics, Hoa Hao, and Cao Dai. They are mainly conservative in their political outlook and are generally sympathetic to the Ky regime.

The government has not yet officially informed the assembly of its decision on 1 December to reject the latter's requests for changes in its founding law. It is possible that government leaders have decided not to make a formal reply on the question unless pressed.

Hanoi Improves Rail Links With China

Hanoi has begun improvement on the Lao Cai - Hanoi line in

northwest North Vietnam. Photography [] revealed that extensive improvements are under way on this line to straighten out curves and rebuild bombed-out bridges. Until recently this line had been neglected in favor of the more important northeast link which carries virtually all rail shipments of foreign aid. Now, however, internal Chinese rail improvements make it possible to tie the northwestern DRV line into the main Chinese rail system.

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Liberation Front Opens Hanoi Office

With a burst of propaganda on the theme of north-south unity, the Communists opened an overt, permanent office of the Liberation Front in Hanoi this week. Hanoi is virtually the last Communist country to accept a Front office in its capital, having apparently held out until now in the belief that such a move would add color to allied statements that the Front is controlled by North Vietnam. In view of the growing public evidence of Hanoi's close and direct involvement in the war, however, the old reluctance to set up the Front openly in Hanoi may have waned. The move provides a dramatic public demonstration to Viet Cong supporters in the South of the importance which the North Vietnamese attach to the Front and to the southern role in the conflict.

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CHINESE NEED FOR FOOD IMPORTS GREATER THAN EVER

Because of the worsening food situation, Peking's imports of grain in the twelve-month period that began last July may exceed the 6.3 million tons it imported in the preceding year.

A recent purchase of 914,000 tons of wheat from Canada exhausts the maximum of 2.5 million tons that Canada must sell each year under a three-year agreement signed this fall. Purchases from all sources for delivery during the year which began in July 1966 already total about five million tons, and China has reportedly asked Argentina--which has supplied a million tons or more during each of the past three years--for as much wheat as can be spared. It is not certain, however, that Argentina will be willing or able to sell substantial quantities of grain to China this year. Either Canada or Australia might be willing to supply additional quantities although there is no indication that China is negotiating with either. The Chinese could also seek small quantities of grain from marginal suppliers such as Mexico and France as they have in the past.

China's need for food imports is greater now than at any time since 1962, when grain production was restored to the 1957 level of about 180 million tons following the food calamity years 1959-61.

[redacted] early 1966 crops were below average because of bad weather, and beginning about July rations were reduced in widespread rural areas and, for the first time in several years, in some urban areas.

[redacted] rations apparently fell by about a third from estimated levels of recent years to an inadequate 20-25 pounds of grain per month per adult. The price of food on the free market has reportedly increased sharply since then, apparently in response to stepped-up buying by individuals on short official rations.

The harvest now under way, which will be the main source of food until next spring, will also be below average and will be too small to reverse the reduction in rations. The authorities in one province have called on peasants to "practice the spirit of stretching 10-month grain allotments to last through 13 months," while local cadres in another province have been warned that enforcement of the "proper" grain distribution policies will "encounter resistance."

Annual grain production has not exceeded 180 million tons in any year since 1962, and the 1966 total may be as much as 10 million tons smaller. Since 1962, moreover, the population has increased by some 60 million persons.

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GROWING DISORDER IN CHINA'S "CULTURAL REVOLUTION"

Conflicts in the top leadership appear to be sharpening, but mounting disorder within the Red Guard movement and the lack of decisive action indicate that no faction or individual has thus far made significant gains.

For the past two weeks Red Guards and newspapers in the capital have focused attacks on literary and political figures who were early victims of the "cultural revolution," giving the impression that the stage was being set for new disclosures. This phase was sparked by a Madame Mao speech, released on 3 December, demanding that former Peking mayor Peng Chen and other "former" officials be "further exposed." According to posters, Madame Mao's words inspired one group of fanatical Guards to rush to the home of Peng and other officials on 4 December and to "seize" them "as a warning to those still following the bourgeois road." The reports do not reveal what if anything was done to Peng, who presumably has been confined at home since his downfall last May.

Most of the posters put up since call for "striking down" Peng Chen, former propaganda chief Lu Ting-i, former army chief of staff and secret police official Lo Jui-ching, and Yang Shang-kun, once an aide to Mao.

Attempts have also been reported to bring down new victims.

According to a poster seen on 14 December, Tao Chin--fourth in the hierarchy--has criticized Liu Shao-chi and Teng Hsiao-ping. A wall newspaper displayed on 8 December said that now that Peng et al have been "exposed," it is time to go after their "big boss" Liu and his deputy Teng. It renewed demands for the dismissal of the two.

Liu and party general secretary Teng Hsiao-ping, who had been dominant leaders of the party machinery for many years, were weakened at the party plenum in August, but neither was dismissed and both have appeared regularly with Mao at Red Guard rallies. Liu continues to sign state messages as chairman of the Chinese Peoples Republic.

The 8 December poster implied that Kang Sheng, a long-time intelligence official who was promoted into the politburo standing committee in August, is involved in the attack on Liu. The poster said that Kang was one of several "revolutionary comrades" Liu had been "keeping down" in the past. Kang, reputedly a cunning and conniving individual, headed the party secret police in the early 1940s. He was relegated to a provincial post about 1949 and later demoted from a full to an alternate member of the politburo.

Demands to dismiss Liu and Teng have not been endorsed in authoritative regime pronouncements. An editorial in the latest issue

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of Red Flag, broadcast on 12 December, conceded that there was still a "tiny handful" of incorrigibles to be isolated and brought down. The editorial dealt mainly, however, with the problem of currently active leaders who oppose the "cultural revolution." It probably was not referring to Liu and Teng, whose freedom of action was severely restricted at the August plenum.

The editorial provides the first authoritative evidence that opposing Red Guard factions are directed by different individuals in the current leadership. It criticizes officials who have "confused the masses," "created sects" and "instigated armed battles," but ends weakly with a new plea that errant comrades repent and come over to the Mao-Lin side. This contrasts with the confident tone of earlier attacks on opponents and demands that "fence sitters" choose sides.

crusading Red Guards in the provinces have encountered stiff resistance from party committees. This may account for the defensive tone of the latest Red Flag editorial. Bloody clashes involving Guards sent from Peking and local workers have been reported in widely scattered areas of China. After a particularly bloody melee in Chungking on 4 December, in which 11 were killed and 200 injured, the Red Guards announced they would institute a period of "red terror" and "great disorders." Their ability to press attacks is clearly limited, however. The Third Red Guard Headquarters in Peking, which apparently is directing most Red Guard attacks, complained in a recent newspaper article that people it sent to the provinces to investigate incidents were beaten, imprisoned, or often simply disappeared.

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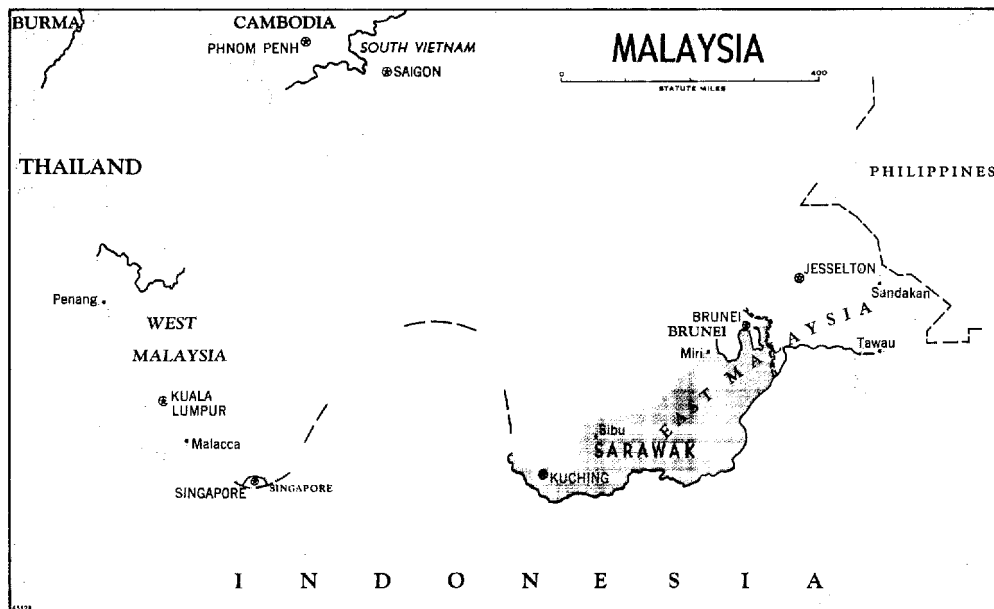
MALAYSIA CONDUCTS ANTI-COMMUNIST SWEEP IN SARAWAK

In a major effort to cripple the Sarawak Communist Organization (SCO), the Special Branch of the Sarawak Police carried out a large-scale roundup of SCO members and sympathizers on 6-8 December. In addition to the 119 persons arrested, valuable documents and some funds were captured. Although the Chief of the Special Branch contends that all top-level SCO members slated for arrest were taken in, the roundup probably did not reach the top leadership

The Sarawak Communist Organization has posed a major security problem to Sarawak since the mid-1950s. Almost exclusively Chinese, it has an estimated armed strength of 1,500-2,000, including 600-800 trained in Indonesia. It maintains several illegal front organizations, most notably the Sarawak Advanced

Youth Association and the Sarawak Farmers Association. The SCO, moreover, has deeply penetrated the Sarawak United Peoples' Party (SUPP), a large Chinese opposition party that advocates greater autonomy for Sarawak. SUPP now is cooperating with the Sarawak National Party (SNAP), the main indigenous opposition group, in preparation for elections next year. A number of SUPP members were taken into custody during the roundup.

The government contends that the arrests were aimed exclusively at the Communist threat, but leaders of the Chinese community are reported to be virtually unanimous in interpreting the arrests as an effort by the governing Alliance Party to intimidate SUPP. Stephen Yong, SUPP's non-Communist Secretary General, has openly charges the government with using dictatorial means to suppress the opposition.



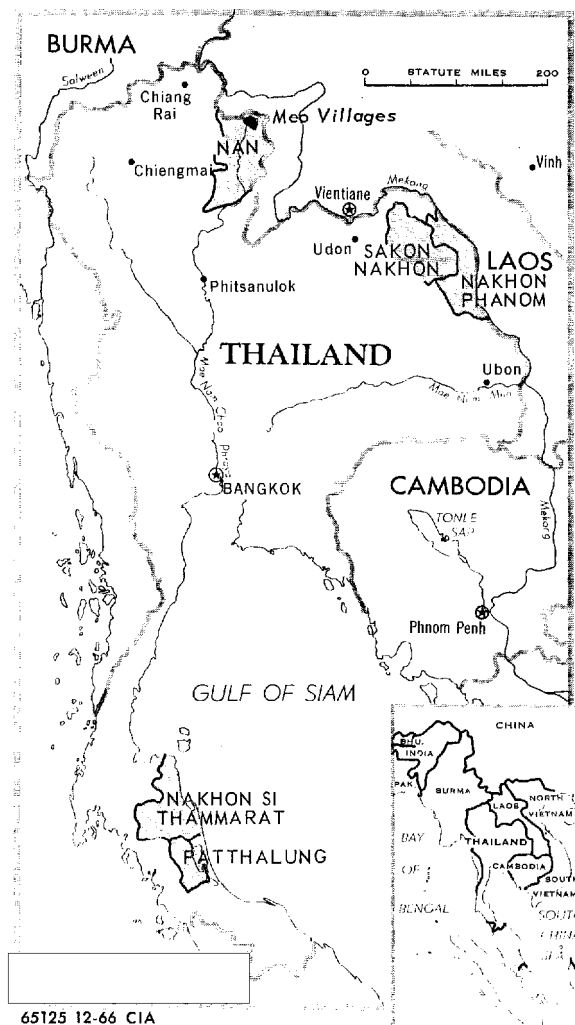
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COMMUNIST ACTIVITY IN THAILAND

The Communists, in addition to their activities in the north-east, are apparently scoring gains among some tribal elements in northern Thailand and are building up their organization in the mid-south.

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In the northeast, government police and army units are continuing to sweep Communist strongholds in Nakhon Phanom and Sakon Nakhon provinces. Although numerous suspects have been picked up in recent weeks, government forces have been unable to establish contact with



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terrorist bands operating in the area. One apparent reason is that government press releases are continuing to forewarn the subversives of impending operations.

There are indications that the Communists are gaining strength in the mid-south region. [redacted]

[redacted] there are some 750 Communist supporters in the ten-province area, and that 400 of these are operating in armed bands in Patthalung and Nakhon Si

Thammarat provinces. These Thai Communist elements are not directly related to ethnic Chinese terrorists located farther south along the Malaysian border.

Although the Communist groups in the mid-south so far have concentrated on building their organization, recent broadcasts over the clandestine Voice of the Thai People suggest that they will soon enter a more active phase. [redacted]

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PREPARATIONS FOR LAOTIAN ELECTIONS

Prime Minister Souvanna has made a temporary alliance with some regional military commanders in an effort to elect a new national assembly more amenable to his direction. His action could set the stage for a new round of political infighting in Laos.

In order to block the re-election of certain obstreperous deputies, Souvanna has drawn up a list of 34 candidates for the 59 assembly seats that will be contested on 1 January. Each candidate on Souvanna's "united front" list is committed to supporting Laos' neutrality, its tripartite form of government, and Souvanna as prime minister.

This arrangement is almost certain to eliminate some of the leftist-leaning neutralists and "young nationalists" who do not enjoy the support of military leaders.

Souvanna worked out his list in cooperation with Generals

Phasouk Somly, Vang Pao, and Ouan Ratikoun. These regional commanders have agreed to use their influence in areas under their military jurisdiction on behalf of the approved candidates. Souvanna thus far has not been able, however, to win the backing of Leuam Insisiengmay, leader of the rightist faction in the national assembly, who wields considerable power in southern Laos.

The role which the powerful Sananikone family will play in the elections is not clear. [redacted]

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[redacted] the Sananikones will use their influence in the Vientiane area to back Souvanna's list, but this would bring them into conflict with chief of the general staff General Kouprasith Abhay, whom they have long supported. Kouprasith envisions himself playing an even greater role in Laotian affairs, possibly as Souvanna's successor, and may have some misgivings about the increasing cooperation between Souvanna and the already powerful regional commanders. [redacted]

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COMMUNIST CHINA EXPLOITS MACAO RIOTS

Peking has taken advantage of recent disorders in Macao to wring concessions from the local authorities which further weaken the Portuguese position in the colony. Using modern "gunboat diplomacy," Peking has publicly underscored the fact that Macao exists only on Chinese sufferance and has attempted to improve its tarnished image as the protector of Chinese abroad.

The trouble began in mid-November with efforts by local Chinese in Macao to settle a long-standing grievance--their failure for more than a year to obtain permission to construct a new Chinese school. These efforts resulted in riots on 3 and 4 December which were harshly suppressed by the police.

Following the riots, Peking moved four additional gunboats to the area and staged Red Guard rallies in nearby Kwangtung Province supporting demands made by the Macao Chinese. On 11 December an authoritative People's Daily Commentator article warned that the Portuguese would have to accept the Chinese demands or suffer the consequences.

On 12 December the Macao governor announced that he had accepted "in entirety" the demands of the Kwangtung provincial authorities. These demands were almost identical with those made

by Chinese Communist elements in Macao for an apology and compensation for the riots but included the requirement that the Portuguese take measures to prevent Chinese Nationalist operations in the colony. On the following day, the governor accepted two additional demands put forward by Chinese elements in Macao.

Peking has not yet publicly commented on the Portuguese capitulation. However, the unofficial Chinese Communist representative in Macao has indicated his satisfaction with the governor's statement, and four Chinese Communist gunboats reportedly withdrew, suggesting that Peking intends to relax its pressure for the present.

The display of Portuguese inability and unwillingness to resist Chinese Communist pressure makes it clear that Peking can at any time score further cheap and easy political victories at Portugal's expense. For the moment, however, Communist China will probably be satisfied with the acknowledgment by the Macao authorities that Peking has the predominant role in respect to Chinese citizens of Macao. Nonetheless, unplanned incidents which might provoke riots and renewed Chinese intervention cannot be ruled out.

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EUROPE

The Soviet leadership is pressing ahead with its political offensive against Peking. In the party central committee meeting this week, the emphasis was explicitly on "the struggle of the CPSU for the unity of the Communist movement." The economic plan and budget for 1967, which are on the agenda of the Supreme Soviet now in session, took second place in the central committee's deliberations.

The leadership thus got a formal expression of approval from the party's ranking officials for its policy toward China, and put in still another call for an international conference of Communist parties.

In Western Europe, the NATO ministerial talks got under way with hopes of completing permanent nuclear planning arrangements and developing a larger political role for NATO in the context of both intra-European and East-West relations. The US - UK - West German talks on the problem of off-setting the foreign exchange costs of the British Army of the Rhine have recessed until January. The British, with a financial assist from the US, have agreed to maintain this force at present levels for six months.

In Bonn, Chancellor Kiesinger's first general policy statement to the Bundestag contained no sharp departures from established West German positions on major international issues, and sounded a positive tone toward dealings with France and Eastern Europe. With regard to a nuclear role for West Germany, the chancellor reiterated past commitments. The lack of new policies may signify differences of opinion within the newly formed coalition which may be difficult to reconcile.

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USSR MAINTAINS ANTI-CHINESE MOMENTUM

Moscow has further stepped up its campaign to ostracize China's leadership. The Soviets appear genuinely concerned over the excesses of the Red Guard upheaval in China and convinced that Mao's policies have made him vulnerable to foreign and domestic opposition. Thus, they believe the time is ripe to strike out against him.

A plenum of the Soviet party central committee on 12 and 13 December clearly indicated that the Chinese problem remains the main preoccupation and most pressing foreign policy concern of the Russian leaders, particularly Brezhnev. The plenum was devoted primarily to a foreign policy review focusing on Sino-Soviet relations. A number of Soviet ambassadors were summoned to Moscow for the occasion. Capping vigorous personal efforts over recent weeks to drum up wide support for Moscow's offensive against China, Brezhnev himself presented the key report.

The text of his speech has not yet been released. However, a central committee decision, published on 13 December, in effect, summarized his presentation and formally and--of course--"unanimously" endorsed the "political line and practical activities" taken against China.

The plenum met during an increasingly vehement propaganda

campaign, notable for its personal attacks on "Mao and his clique." Politburo member Shelepin attacked Mao by name and accused "the present Chinese leaders" of preventing an early Communist victory in Vietnam. Soviet broadcasts to China in Mandarin have condemned the "individual dictatorship of Mao Tse-tung." The Russian populace is being fed a steady diet of "yellow peril" propaganda, including inflammatory charges of Chinese designs on Russian territory.

The central committee statement scored the Chinese party's 11th plenum last August, and asserted that the decisions taken at that meeting indicated a "new and dangerous stage" in Mao's anti-Soviet crusade. The Soviet document marks the most authoritative reaction to the Chinese plenum, and gives formal sanction to the more aggressive anti-Chinese tactics Moscow has pursued since last summer.

The Soviet plenum decision recorded Moscow's "agreement with the views of fraternal parties that favorable conditions are now being created for a new international Communist conference." The decision added, however, that such a conference "should be well prepared in the course of mutual consultations among the parties." The statement thus echoes Brezhnev's earlier guarded endorsements of the

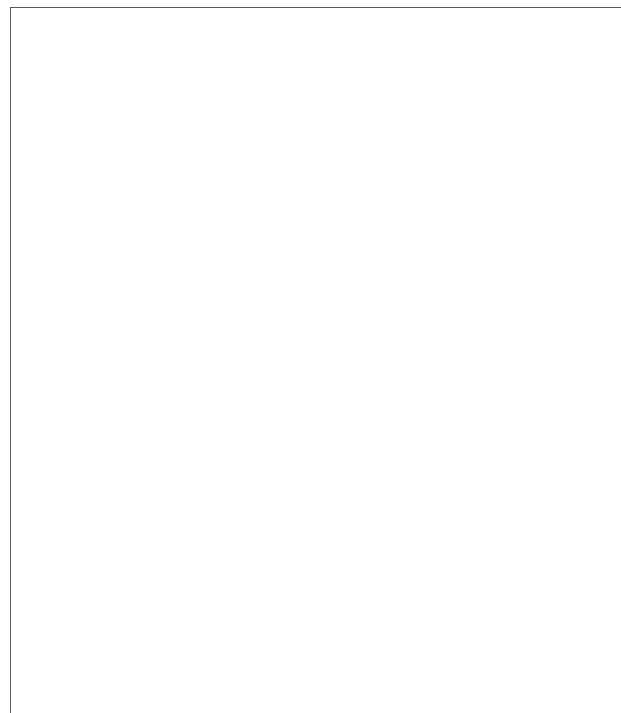
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idea of a world conference. Stress on the necessity for adequate preparations means, however, that Moscow recognizes that there is considerable resistance to the idea of a formal all-party meeting on the order of the 1957 and 1960 conferences. The various parties will no doubt put their own interpretations on the phrase "adequate preparation," and many of them will be content if the project never leaves the "preparatory" stage.

The parties of Eastern Europe are divided over the convening of a world-wide conclave. The Bulgarians, Hungarians, Czechs, and East Germans can be expected to support any kind of a Soviet-sponsored conference, but for the Poles and Rumanians the issue hinges on the nature of any conference.

Warsaw continues to see little advantage to itself and many hazards in an international meeting. Everything that is known about Gomulka's position suggests that he would participate only if the meeting were designed not to condemn China but to re-endorse the independence and equality of individual parties.



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In keeping with Moscow's admission that there is much work to be done before a world gathering can occur, various moves are reportedly under way to convene regional meetings in Europe, and probably elsewhere.

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a gathering of European parties to focus on European security, Vietnam, and problems in the Communist movement may take place in Warsaw early next year.

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KOSYGIN VISIT TO FRANCE HEAVIER ON FORM THAN SUBSTANCE

Both France and the USSR made the most of Premier Kosygin's visit as an expression of the expanding common interests of the two nations. Each was careful, however, to leave itself room for maneuver on major international issues.

Neither side appears to have expected any more from the visit than the generally predictable items featured in the joint resolution released on 9 December. Promises of technical and scientific cooperation, more trade, a consular agreement, and further exchanges of visits foster the impression of growing political concordance that both sides wish to project. Each values this impression for its own reasons: France in order to bolster its image of independence, the USSR to encourage other Western European nations to break free of lingering cold-war restraints on dealing with Moscow.

The only touchy international problem that made its way into the resolution was Vietnam. The two countries reiterated their view that the war stems from "foreign interference" and is a threat to peace. The statement in the resolution varies little from the declaration made at the end of De Gaulle's visit to the USSR last June. There was no sign that Kosygin was able to soften De Gaulle's opposition to a non-proliferation agreement.

The German problem was side-stepped in the resolution. Kosygin made the usual Soviet points on the subject in his public statements during the visit, stoutly reaffirming Soviet opposition to reunification and any change in the frontiers. De Gaulle appears to have wanted silence on the problem so as not to jeopardize overtures he expects from Bonn. Each may have hoped to find some leeway in the other's position, and there was probably some mutual disappointment.

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It is clear that the USSR believes that a Franco-Soviet understanding has only a limited usefulness in dealing with contentious issues such as Germany and European security. The Soviets recognize that no meaningful solutions are possible without US participation. During his visit, Kosygin pointedly expressed his hope for better relations with the US and did not rule out an American role in the settlement of European problems.

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WEST GERMAN GOVERNMENT PROGRAM

Chancellor Kiesinger in his policy statement on 13 December put high priority on resolving economic and financial problems, suggesting that these may preoccupy the new government for the next several months. The emphasis on economy signals a less forthcoming attitude toward assuming any major new international obligations such as troop offset payments, development aid, and Common Market contributions.

The government's domestic program incorporates long-term Socialist objectives such as emphasis on economic growth and high employment. Concessions by the Christian Democrats in this area may have facilitated agreement on Kiesinger's foreign policy statement that varies little from previous German policy. Although Kiesinger stressed Bonn's long-standing desire to develop its relations with Eastern Europe and, if possible, to establish diplomatic relations, his references to the Oder-Neisse frontier and the Munich Agreement did not go beyond Bonn's previous positions. Bonn traditionally has maintained that only a reunified Germany can settle the border question. Though Bonn acknowledges that Hitler voided the Munich Pact by invading Czechoslovakia, it refuses to accept the Czech view that the agreement was invalid from the start because it had been concluded under

duress. Despite the known desire of Foreign Minister Brandt to abandon all nuclear sharing schemes involving "hardware," the declaration left this question open.

The government's position on East Germany clearly reflects a compromise. Kiesinger said Bonn will seek to expand trade and credits and increase "contacts" that would not imply recognition, a cautious formulation unlikely to produce the kind of closer ties the Socialists want. The emphasis on improving relations with France reflects the prevailing sentiment in both governing parties. Kiesinger and Brandt have long advocated greater "balance" in relations with Washington and Paris. The specific actions Bonn may take are unclear, but one immediate objective will be to attempt to instill new life into the 1963 Franco-German Friendship Treaty.

In any case, though Bonn will probably be less willing to follow the US lead than it has in the past, the Kiesinger government appears to want to maintain close ties with the US. It is aware of Germany's dependence on the US for its security and shows no sign of a willingness to endanger this guarantee for other objectives.

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MIDDLE EAST - AFRICA

The Middle East is experiencing the opening rounds of what could develop into a series of new crises, any one of which could give rise to new international alignments and confrontations or to domestic turmoil. At the same time, it is far from certain that any one situation will crystalize into major crisis proportion. Each is susceptible to postponement and short-term solution.

The Arab Defense Council decision to post foreign Arab troops to Palestinian west Jordan could trigger an explosion in the Arab-Israeli confrontation. If the troops move in, Israel would feel obliged to react and their presence would favor further instability in Jordan. If King Husayn succeeds in staving off their arrival, this would stimulate new resentments against his regime.

The Syrian move against the Iraq Petroleum Company pipeline not only adds a new element of instability to oil relationships in the Middle East, but also threatens to hurt Iraq and Lebanon and Syria itself.

Among tropical African nations the hope to bring down the white regime in Rhodesia serves as a thread presently linking them in their international outlook. For the greater part, however, they remain preoccupied with their own problems. This is particularly the case with the more significant states. For example, the trend toward the fractionization of Nigeria continues despite continuing but somewhat halfhearted efforts of the remnant central government. The Tanzanian Government continues preoccupied with an alleged threat of incursion from Portuguese Mozambique as a consequence of Tanzanian help to Mozambique nationalist rebels and is seeking more Communist arms.

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THE UN CONSIDERS RHODESIA

The Africa bloc has proposed UN action which goes considerably beyond Britain's earlier request to the Security Council for limited mandatory economic sanctions against Rhodesia.

The African proposal, as an amendment to Britain's Security Council resolution, would extend the sanctions to oil and to Rhodesian export of coal and manufactured goods. Moreover, it would deplore specifically South African and Portuguese failure to comply with earlier voluntary sanctions, point out the consequences under Article 25 of the UN Charter for any future noncompliance, and invite Britain to prevent "by all means" the transport of oil to Rhodesia. Finally, the proposal seeks to bind Britain not to grant Rhodesia independence before majority rule is attained and it would retain the Rhodesia item on the Security Council agenda.

Several non-African Security Council representatives, including the British, have indicated that parts of the African proposal are unacceptable, and various consultations are under way for a mutually acceptable solution. Britain probably would accept the inclusion of oil in the sanctions but is reluctant to include coal since Zambia, which uses Rhodesian coal for its copper industry, might then ask the UK for help. Britain's UN representative has said his government prefers not to single out South Africa and Portugal for condemnation since

that would destroy possibilities for their tacit compliance. Most important, London would not accept responsibility for policing oil sanctions since that would almost certainly require a blockade of South Africa. Nor does it want a UN resolution which would bind the British Parliament to give Rhodesia majority rule before independence.

Meanwhile, Salisbury is toying with the idea of unilaterally implementing the constitutional proposals which Prime Ministers Wilson and Smith claim they agreed to earlier this month.

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ARAB DEFENSE COUNCIL MEETING

Jordan failed to fend off its critics at the Arab Defense Council meeting in Cairo last week on the issue of stationing foreign Arab troops in Palestinian west Jordan. The internal and external pressures to strengthen Jordan's Israeli frontier finally compelled the Jordanians to agree to the council's decision that Saudi and Iraqi troops be deployed in Jordan within two months of the meeting.

Jordan's reluctant acquiescence represents a sharp departure from its earlier stand and indicates how seriously King Husayn views the radical Arab threat to his regime. He may be playing for time in the hope that before two months have passed the situation will have changed enough for him to say that foreign troops are no longer needed. Public comments by Jordanian spokesmen since the Defense Council meeting have suggested that as far as Amman is concerned the council decision is still tentative and conditional.

In the event Saudi and Iraqi troops do move into Jordan, they

would be less onerous to the Amman government than those of Egypt, Syria, or the Palestine Liberation Organization (PLO). The decision, nevertheless, is at least a temporary victory for Husayn's radical enemies in Cairo and Damascus since it establishes a precedent for the eventual entry of forces they command. The issue is a critical one for Amman which would expect troops from Egypt, Syria, or the PLO to be more of an internal subversive threat than a defense against Israel.

Amman is especially concerned about the threat posed by the PLO which has won increased support among Jordan's Palestinian population since the 13 November Israeli raid. At the Cairo meeting Jordan remained adamant in its opposition to the deployment of PLO military forces in west Jordan. This prompted PLO chairman Ahmad Shuqayri to reiterate, after the meeting, that whether Amman accepted them or not, PLO "army" units would force their way into Jordan "at the appropriate time."

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TANZANIAN MILITARY BUILDUP CONTINUES WITH COMMUNIST SUPPORT

Tanzania's deep involvement in the southern African liberation struggle and its fear of Portuguese retaliation have caused Dar es Salaam to accelerate expansion of its defense forces. It has sought some military hardware from the USSR but is relying on Communist China for most military assistance.

years the Mozambique Liberation Front (FRELIMO) has utilized Tanzanian sanctuaries and Dar es Salaam has become increasingly jumpy about the possibility of retaliatory attacks.

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Tanzania will probably adopt Chinese weapons as standard equipment throughout the army. It is not yet clear how this will affect the role of the present Canadian training mission.

The volunteer reserve, created in late 1964, was to be composed of trained cadres operating from central depots in their home districts. Chinese instructors are believed to have helped train the first cadres recruited for five centers along the Mozambique frontier. These were called up on 2 December following the explosion of land mines on the Tanzanian side of the border. No evidence substantiates Dar es Salaam's accusation that Portuguese military personnel were involved, but the mines may have been laid by local tribesmen in Portugal's pay. For over two

China's offer to supply arms free of charge plus President Nyerere's distrust of Western intentions in southern Africa have been major reasons for his growing reliance on China. Most of the arms have already been delivered as a gift. Fourteen medium tanks and two landing craft still to come will be new to the Tanzanian inventory. Their crews are to be trained in China.

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However, in addition, the Tanzanians are getting four torpedo boats and more armored personnel carriers from the USSR

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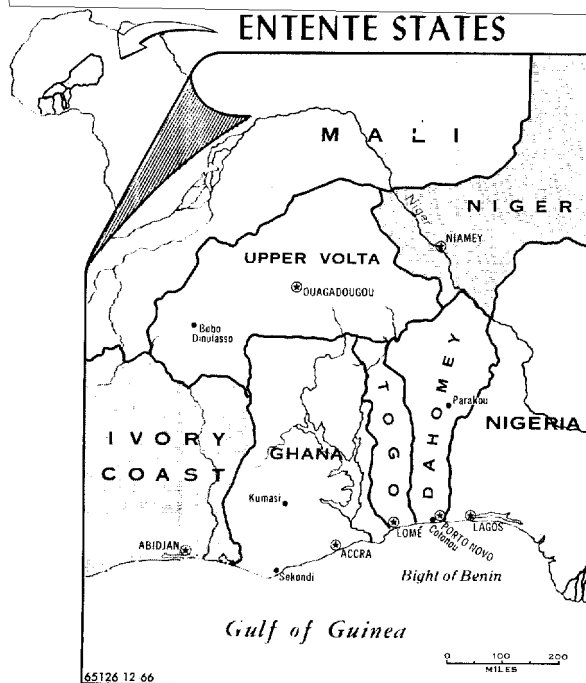
INSTABILITY IN THREE WEST AFRICAN ENTENTE STATES

Considerable political unrest has produced a significant tightening of military control in Upper Volta and a structural change in the government of Togo. A shake-up also appears imminent in Dahomey.

With the anniversary of last year's military take-over approaching, Upper Volta's President Lamizana announced on 12 December that the army would retain power for another four years. This follows months of futile efforts to get the country's political leaders to agree on means of reconstituting civilian rule and probably portends even greater military control. The politicians seem unlikely to organize effective protests to Lamizana's new action. Future unrest is more likely to come from younger army officers who feel deprived of their full share of power.

The situation in Togo is the most volatile. Army Chief of Staff Eyadema, whose belated backing of President Grunitzky during the 21 November abortive coup was a key factor in thwarting that attempt, apparently has decided to stick with the President for the time being. On 14 December, they secured a National Assembly vote abolishing the post of vice president. The move was directed against the incumbent, Antoine Meatchi, who has long coveted the presidency and who has been incriminated in the 21 November episode. The role of the army--which appears to have divided loyalties--may be decisive in determining the nature of the future Togolese government.

All three countries are poor, with few identifiable possibilities for development. This, plus cutbacks in subsidies from France and other sources, has forced their governments to impose unpopular austerity budgets for 1967. Resulting discontent, mixed with instability caused by the absence of well-rooted political institutions, is stimulating both visionary politicians and military leaders to compete for power.



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WESTERN HEMISPHERE

Developments at the past week's Sixth Conference of Foreign Ministers of the Latin American Free Trade Association (LAFTA) countries appear to have set the stage for approval of a site and date for the proposed inter-American summit talks. The meeting also, however, underlined the fact that many Latin Americans are at best prepared to pay only lip service to a major goal of such a summit conference: meaningful progress toward economic integration.

Representatives of the ten LAFTA members met in Uruguay primarily to discuss further reduction of tariff walls in intra-LAFTA trade. Very little progress was made, however, since by now member countries largely have made all the tariff cuts they feel they can make without sacrifices. Hagglng over the tariff issue led to some friction during the meeting.

Nevertheless, it was informally agreed that 12-14 April appeared convenient for a summit meeting and that Punta del Este, Uruguay, might be the most desirable location for the talks. Final designation of the date, site, and agenda for the summit conference will have to await the conclusion of negotiations among all the governments involved, which may only be completed at the Third Inter-American Conference tentatively set for Buenos Aires in mid-February.

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BRAZIL MOVES TOWARD ADOPTING NEW CONSTITUTION

The Brazilian Government has moved to institutionalize the revolution that brought President Castello Branco to power. On 12 December, Congress began a six-week special session to consider a new constitution proposed by the President. He has decreed a strict timetable for congressional consideration of the draft, which virtually eliminates meaningful legislative participation. One fourth of either house may offer amendments, but the administration is unlikely to accept major changes.

By incorporating some of the special powers employed by Castello Branco, as well as new provisions, the proposed constitution would guarantee President-elect Costa e Silva sufficient power to govern effectively for the next four years. It would also provide him with the legal means to name his successor. It specifies indirect election of the president and vice president by an electoral college made up of members of Congress, representatives of state legislatures, and one delegate for each 500,000 voters.

Although the draft has been modified somewhat to soften its more authoritarian features, it nonetheless embodies strong presidential powers. The president will be able to decree a state of siege for 60 days (extendable for another 60 days) but will have to justify his action to Congress within five days after the decree. He will have broad powers to intervene in states, and to issue decrees with the force of law in the fields of national security and public finance. Under

the proposed constitution Congress can approve such decrees, but it will have no power to reject or amend them.

Congress's power is to be further restricted by reserving initiation of money bills to the president. Congress must act on the national budget within a specified period or it becomes law as submitted. Ordinary bills submitted by the executive must be acted upon within 90 days and "urgent" bills in 40, or they also become law as drafted. Congress may grant political amnesties, but only if the president concurs.

Military courts are given the right to judge civilians for certain crimes against national security, but their decisions may be appealed to the Supreme Court. Persons accused of "subversion or corruption" can be prosecuted before the Supreme Court and lose their political rights.

The proposed constitution sets forth basic principles by which political parties may be organized, making it difficult to form any new party. The draft also spells out the workers' right to strike and the right of public employees to tenure.

Substantial government majorities in both houses of Congress appear to guarantee passage but the authoritarian nature of the constitution and the method being used to push it through Congress are coming under widespread criticism.

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STRONG VENEZUELAN REACTION TO TERRORIST CAMPAIGN

The government of Venezuela has responded vigorously to the mounting Communist terrorist campaign in Caracas. Acceding to military pressure, the government has suspended constitutional guarantees, and the military has occupied Central University.

The campaign, accompanied by small-scale rural guerrilla warfare, began slowly in September and increased in intensity during October and November. By mid-November the tally was 65 armed robberies, 19 attacks against police personnel, and eight attacks against the homes of armed forces officers. The campaign hit a peak during the last week of November when the volume and intensity of terrorism reached a level not seen since the all-out Communist effort in 1963 to topple the government.

A sudden lull which took place in early December was violently shattered on the morning of 13 December when in two separate attacks a retired army major was murdered and the army chief of staff wounded.

Military officers, outraged at the latest attacks, directed

their anger at least as much against the government for inaction as against the terrorists and demanded strong and prompt government action. President Leoni acceded to the demands by immediately suspending constitutional guarantees. This was followed by military occupation of the sacrosanct Central University, long a safe haven of terrorists.

The government's moves will probably soothe the military and at least for the moment end government confusion over policy toward the terrorists. At the same time, Leoni's bowing to intense military pressure has probably weakened his position vis-a-vis the military. Ambassador Bernbaum comments, "The question arises as to whether the military, who have now achieved extensive influence and control, will relinquish this in the near future."

Whether the government's moves will reduce terrorism remains to be seen. If the current action does not reduce terrorism, it is probable that severe strains on the government will reappear during the coming months.

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DOMINICAN COMMUNISTS FAIL TO MOUNT GENERAL STRIKE

The divided Dominican Communist movement failed to mount a general strike on 13 December to protest President Balaguer's decision to grant only part of the traditional Christmas bonus to government workers. The adept handling of the issue by Balaguer, a lack of popular support for the walkout, and the absence of support for the strike by non-Communist left-wing political and labor groups contributed to the Communist debacle.

Balaguer defused the issue in early November by reversing an earlier decision to grant no bonus and by giving instead a partial premium to some government employees. The President's policy was aimed at obtaining needed savings in the government's relatively high wage payments. Last year the Garcia Godoy government was confronted by a widespread walkout over the issue. Thus this year's result is an important victory for Balaguer and resolves one of his many problems.

Non-Communist labor and political groups, including the important left-of-center Dominican Revolutionary Party--whose support is essential to any effective strike--refused to back the Communist demands for a walkout. Some left-wing leaders admitted that the government's policy was economically sound while others were restrained from striking by fear of government retaliation and by a recognition that widespread unemployment makes replacement of discharged strikers relatively easy.

Contributing to the defeat of the strike attempt was the inability of the various Dominican Communist groups to unite on a common strategy and tactics. There are now five Communist parties in the country and they are quarreling among themselves over personal and ideological differences. Communist efforts to provoke the security forces into heavy-handed repression of agitators favoring a strike resulted in only minor disturbances.

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ARGENTINE PRESIDENT REPLACES MILITARY CHIEF

President Ongania's appointment of a new army commander, General Alsogaray, and a reshuffle of the army high command will help maintain military unity for the present. The President has made it clear to the army that he does not intend to permit the high command to have an active role in formulating government policy. Alsogaray and the other senior generals apparently remain prepared to give Ongania strong support, if necessary, when the government implements the reorganization of the national railroads. Opposition to some government policies among the generals has not disappeared, however.

General Pistarini, Alsogaray's predecessor, was in command of the army when the generals unseated the constitutional regime of President Illia. Since Ongania assumed the presidency, Pistarini had been the spokesman for the military in criticizing government policy as too dilatory, especially in the area of economic and labor reform.

After a disagreement over the promotion and reassignment of the army's top generals, Pistarini stepped down. To replace him, Ongania chose the next senior general not on foreign assignment, Alsogaray, a step calculated to cause the least amount of resentment among the top officers.

Alsogaray, an ambitious and outspoken officer, was also among those who were critical of the regime in its early days. Recently, however, he said that he generally agreed with the President and his policies.

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